



Sugary Drinks Distributor Tax Update

Health Commission

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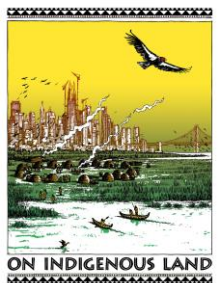
San Francisco Department of Public Health

Population Health Division

Community Health Equity and Promotion Branch



POPULATION HEALTH DIVISION
SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH





Sugary Drinks Distributor Tax (Soda Tax) Update

SFDPH Roles

- Staffing Sugary Drinks Distributor Tax Advisory Committee (SDDTAC)
 - Ensuring SDDTAC in compliance with legislation
 - Annual Data, Evaluation, and Budget Recommendations Report
 - Analyzing sales data and public health data
- Program Management for Tax Revenue

Community Health Equity & Promotion	Community Based Grants	~ \$3.5 Million
Population Health Division	Food Security Grants	~ \$1.2 Million
Maternal Child & Adolescent Health	Oral Health Grants and Sealants	~\$750K



Overview

Sugary Drinks Distributor Tax (SDDT) or “soda tax” passed 2016, implemented in 2018.

Tax imposes a one-cent per fluid ounce tax on distribution of sugar-sweetened beverages, syrups, and powders.

16-member Advisory Committee established through legislation:

- makes annual budget recommendations to Mayor and Board of Supervisors for revenue allocation
- reports on the public health and sales impact of the tax.

Sugary Drinks Distributor Tax Advisory Committee Funding Principles

Focus on these priority populations:

- Low income San Franciscans, and/or
- Populations shown to be consuming sugary drinks at a high rate, and/or
- Populations disproportionately affected by diet sensitive chronic diseases (such as diabetes, obesity, heart disease, and/or tooth decay)

Support aims of the tax by **reducing sugary drink consumption and supporting public health through a reduction of diet-sensitive related diseases:**

- Decreasing consumption of sugary drinks
- Increasing water consumption
- Oral health
- Healthy food access
- Physical activity
- Other (e.g. research/CBPR, new innovations, etc.)

Support implementation of the SDDT and the work of the SDDTAC

CHEP Branch: Implementation of SDDTAC Recommendations

Policy/Systems Change

- Policies or changes to systems that reach a broader population than programs/services and can be sustained with less funding; funding may be needed to ensure compliance

Program/ Services and Education/ Awareness

- Programs and services to support healthy eating, active living, mental health and wellness

Capacity Building

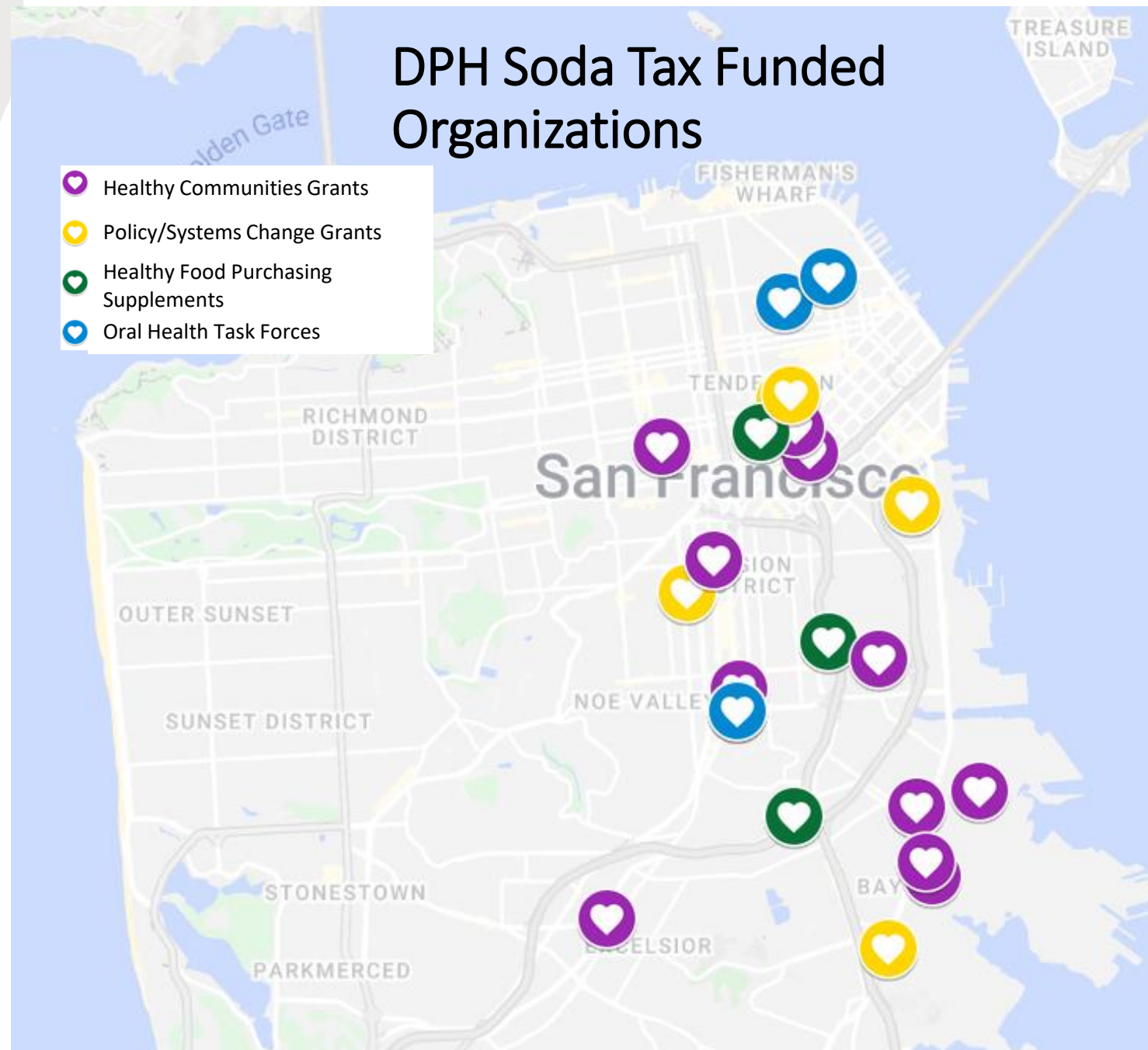
- Support to organizations to be able to deliver programs/services or policy change. This includes hiring/training people from the priority populations

CHEP SDDT Grants

- Between 2019 – 2022
 - \$10,288,848 disbursed to CBOS
 - 42 organizations funded
- CHEP provides Technical Assistance
 - Grants align with SDDTAC and DPH values
 - In COVID pivoted to support emergent needs
- Next Steps
 - Community input for next Healthy Community Grants RFP in fall 2022
 - PSE contracts thru DPH will end in 2024. Next RFP planned for 2023



DPH Soda Tax Funded Organizations



Soda Tax Impact

DPH analysis of sales data indicates an **7% decrease** in sugary drink sales since 2018

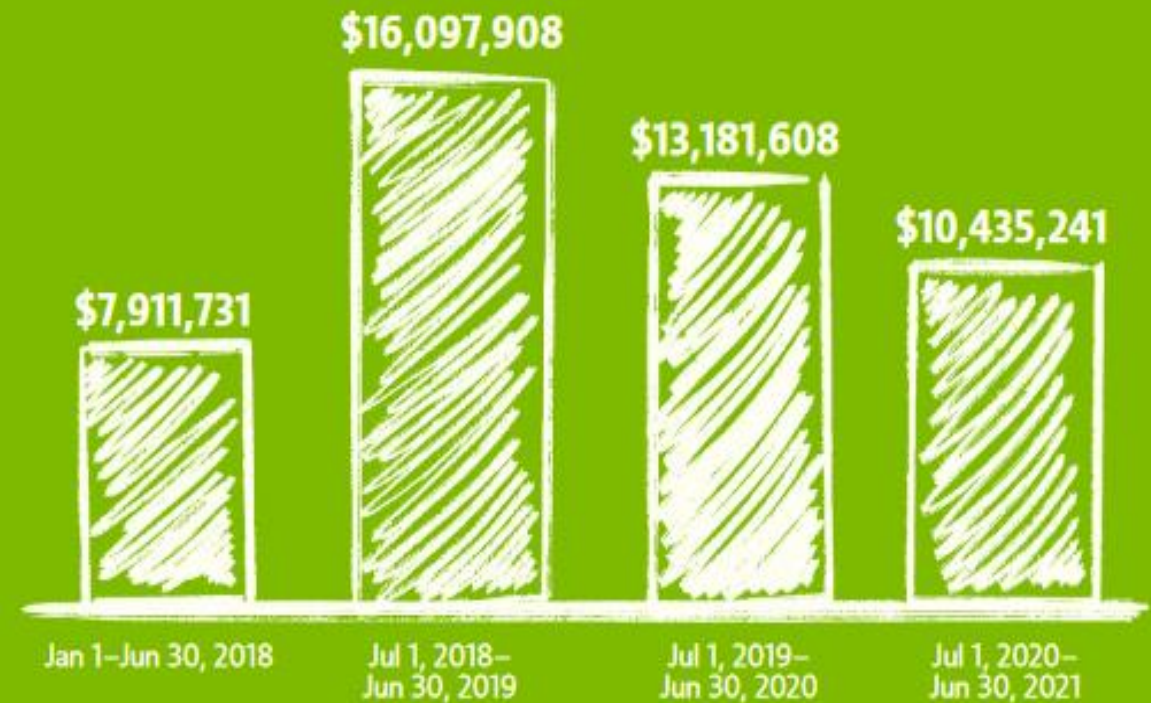
San Franciscans,' purchasing and consumption of sugary drinks has **decreased by more than 20% compared to Richmond** according to a study by UCSF, UCB and Stanford*.

*This research was conducted by Justin White and Dean Schillinger at the University of California, San Francisco, Sofia Villas-Boas and Kristine Madsen at the University of California, Berkeley, Scott Kaplan at the U.S. Naval Academy, and Sanjay Basu at Waymark Health. These findings have been submitted to a journal for publication and were in the peer-review process when this evaluation report was finalized in February 2022.

↓20% Following SDDT Implementation, the volume of sugar-sweetened beverages purchased in San Francisco declined by more than 20% compared to Richmond, California.

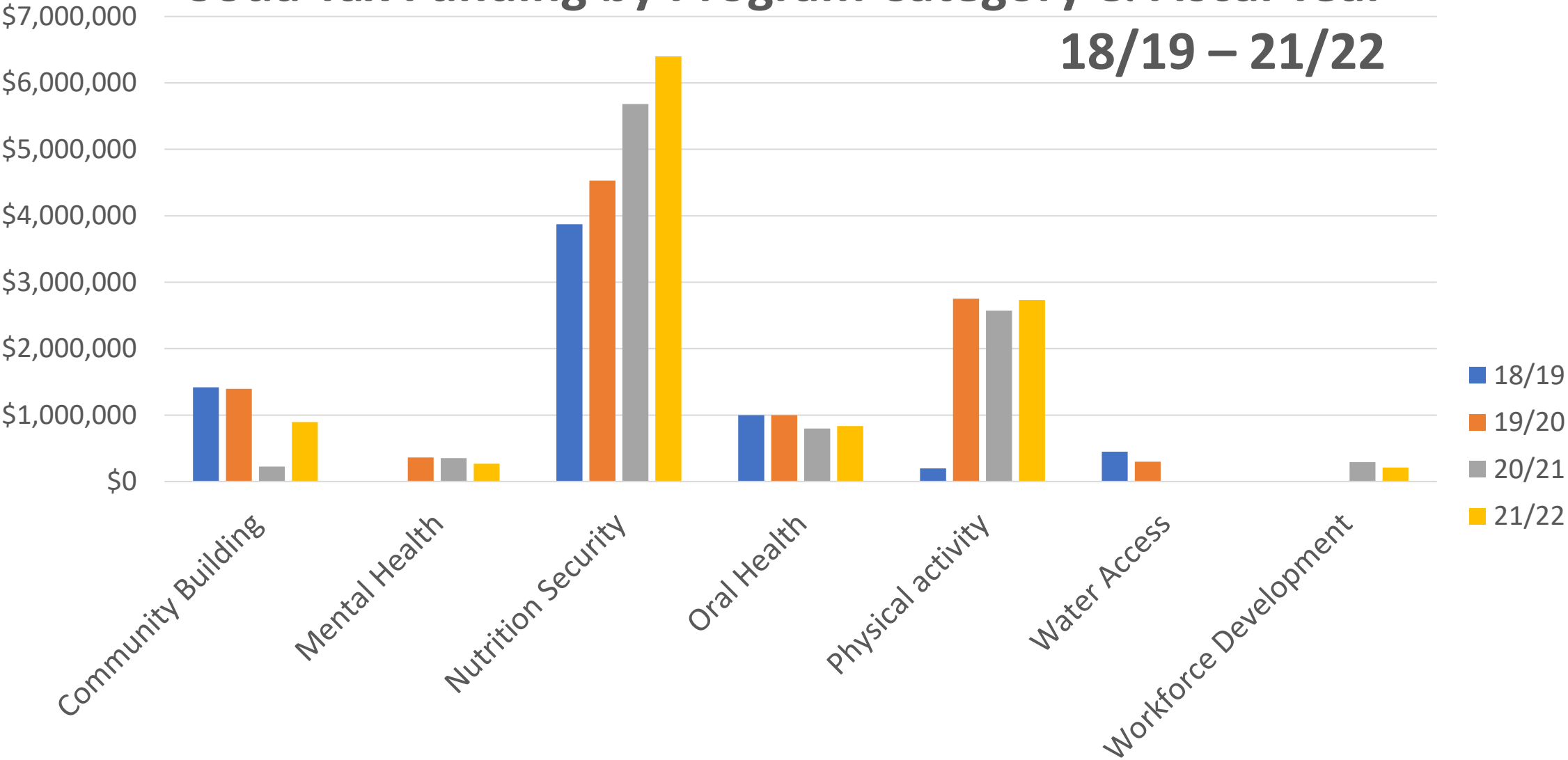
↓50% Purchases of sugar-sweetened beverages at supermarkets in San Francisco decreased by more than 50%!

Total Sugary Drinks Distributor Tax Collected Per Fiscal Year



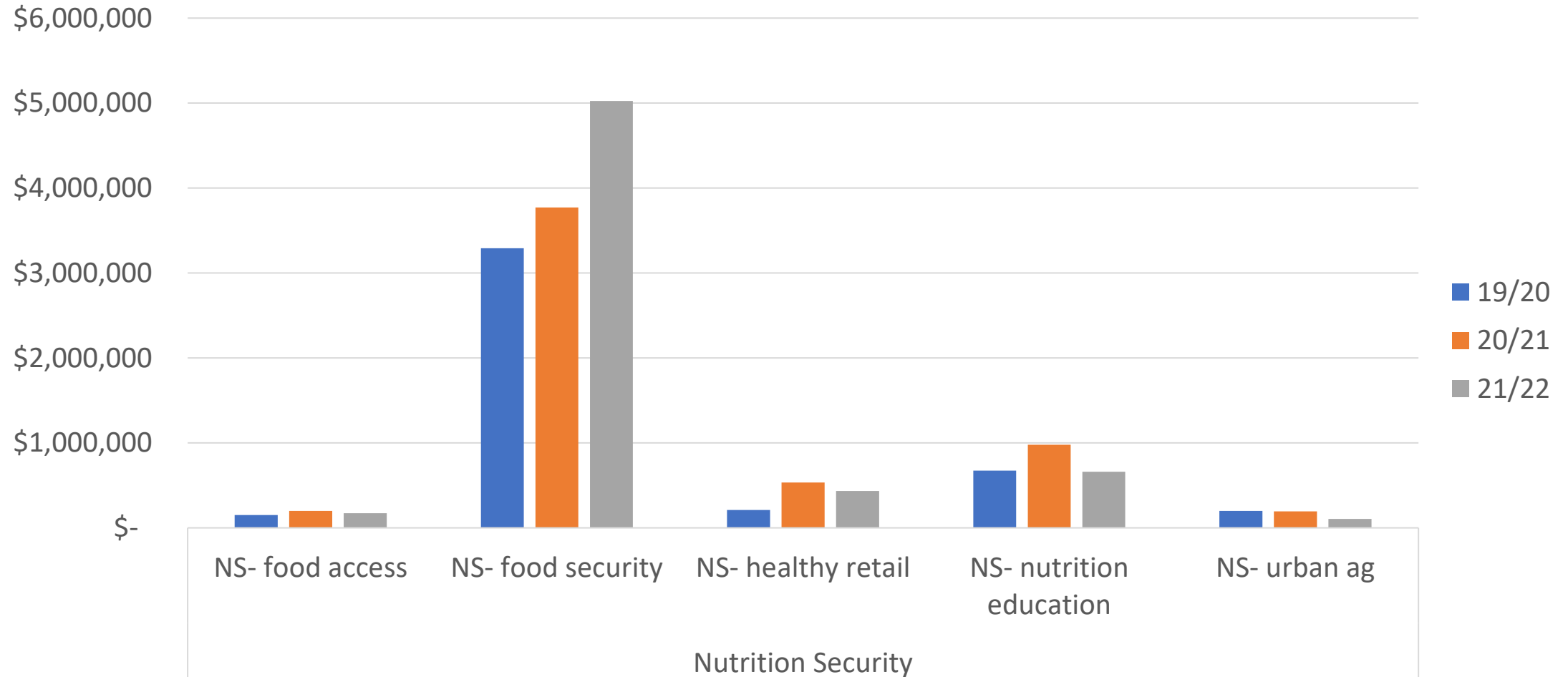
Soda Tax Funding by Program Category & Fiscal Year

18/19 – 21/22

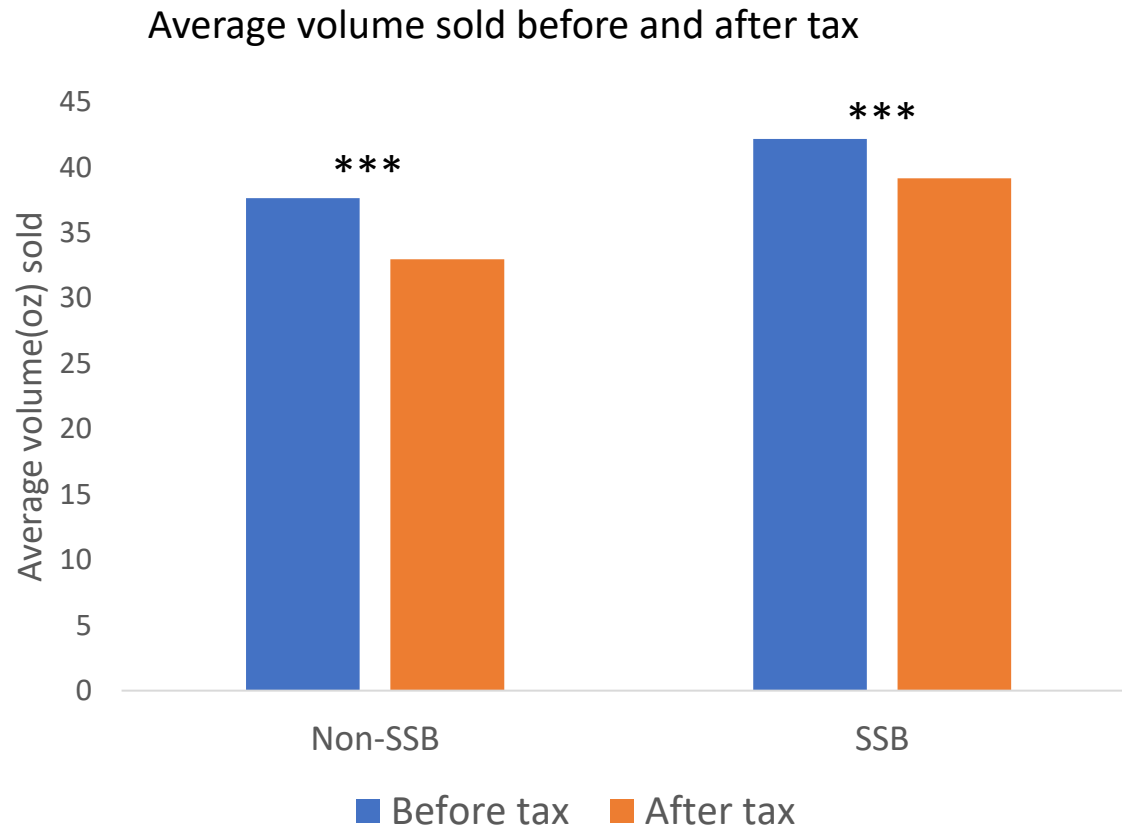


SDDT Nutrition Security Funding

FY19/20 - 21-22



Average volume sold of SSBs and non-SSBs decreased after-tax

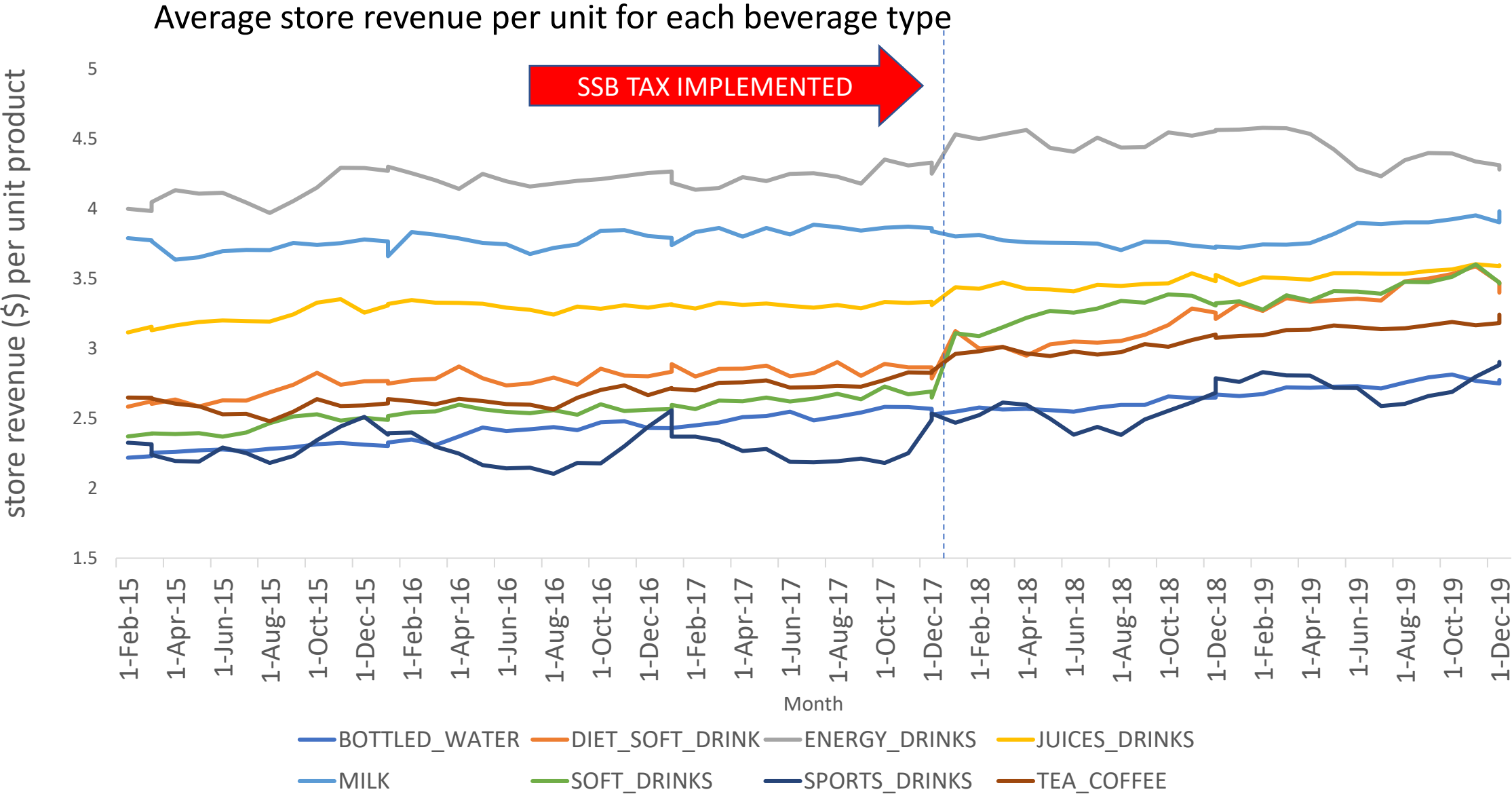


- Average volume sold (oz) of SSBs significantly decreased by ~ 7.1% after-tax vs before tax.
- Average volume sold (oz) of non-SSBs significantly decreased by ~ 12.8% after-tax vs before tax

*** p < 0.001 (statistically significant difference)

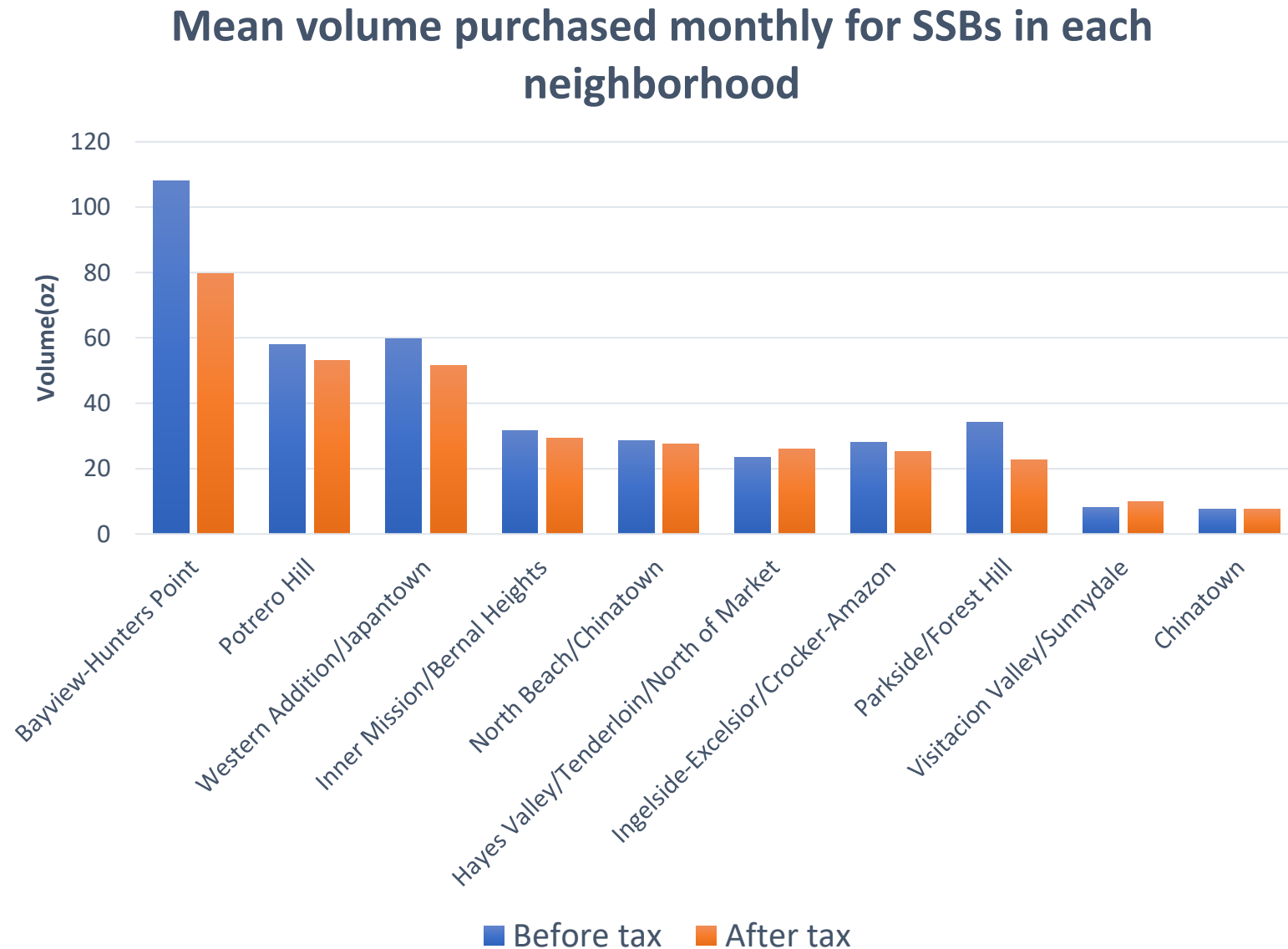
Source: Sales data licensed from Information Resources Inc.(IRI), from Jan 2015 to Dec 2019 in San Francisco, California
<https://www.iriworldwide.com/en-us>

Store revenue increased for both SSBs and non-SSBs.



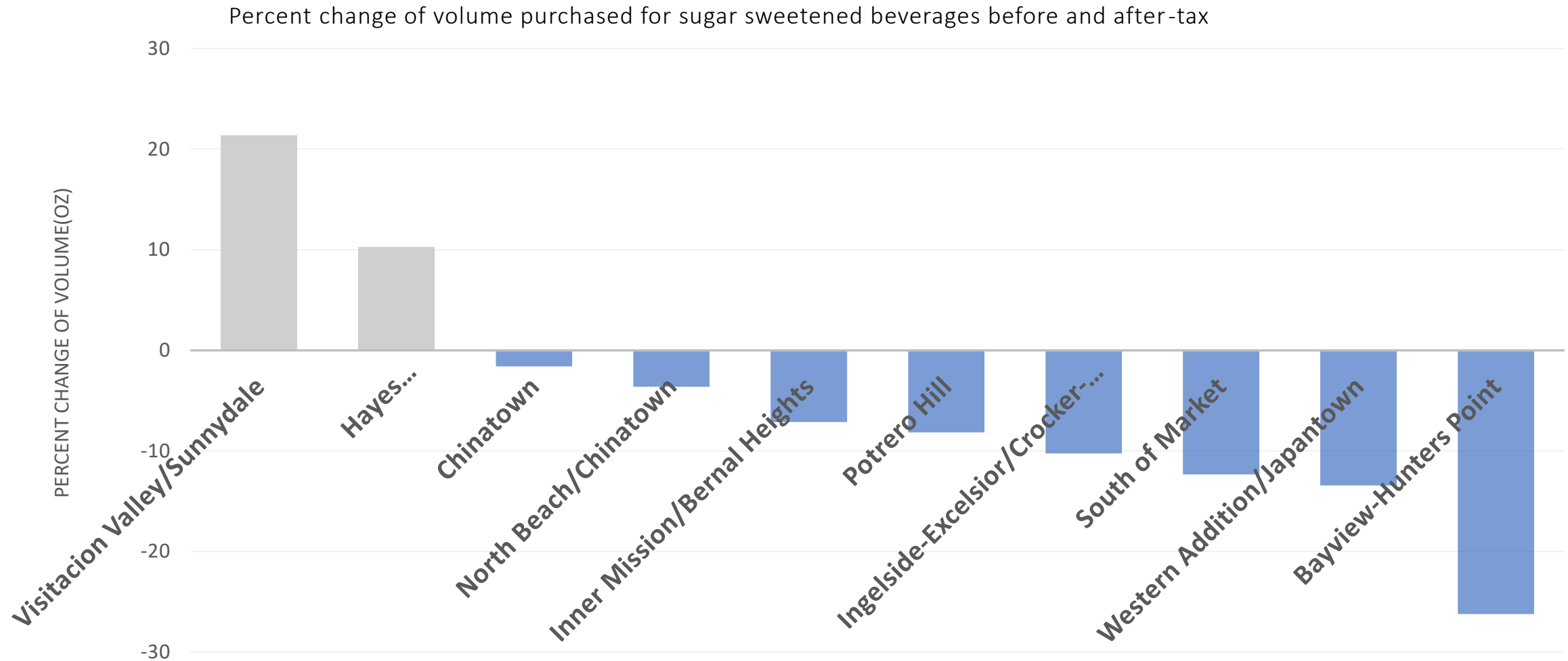
Source: Sales data licensed from Information Resources Inc.(IRI), from Jan 2015 to Dec 2019 in San Francisco, California

Average volume purchased of SSBs by neighborhood



- **Bayview Hunters Point, Potrero, and Western Addition** have the highest average ounces sold monthly
- Bayview Hunters Point has had the largest decrease

Volume of purchased SSBs decreased in many neighborhoods after tax. Increased in Visitacion Valley and Tenderloin.



SDDT Funded Programs Demonstrate Success

Improve behavioral outcomes	
Decrease in sugary drink consumption	✓
Increase in fruit/vegetable consumption	✓
Increase in physical activity	✓
Increase in breastfeeding	✓
Increase in tap water consumption	
Improve economic conditions for individual workers/ families and local businesses	
Increase in food security	✓
Increase in economic opportunity and stability	✓

Conclusion

San Franciscans' purchasing and consumption of sugary drinks has decreased significantly since 2018.

Programs supported with SDDT funding have begun to demonstrate success.

SDDT Funding reaching the most impacted communities